



General Assembly

Substitute Bill No. 1034

January Session, 2005

* SB01034INS_032405 *

**AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP
INSURANCE PLAN.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (i) of section 5-259 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2005*):

4 (i) The Comptroller may provide for coverage of employees of
5 municipalities, nonprofit corporations, community action agencies and
6 small employers and uninsured individuals, individuals eligible for a
7 health coverage tax credit or members of an association for personal
8 care assistants under the plan or plans procured under subsection (a)
9 of this section, provided: (1) Participation by each municipality,
10 nonprofit corporation, community action agency, [or] small employer,
11 [or] uninsured individual, eligible individual or association for
12 personal care assistants shall be on a voluntary basis; (2) where an
13 employee organization represents employees of a municipality,
14 nonprofit corporation, community action agency or small employer,
15 participation in a plan or plans to be procured under subsection (a) of
16 this section shall be by mutual agreement of the municipality,
17 nonprofit corporation, community action agency or small employer
18 and the employee organization only and neither party may submit the
19 issue of participation to binding arbitration except by mutual

20 agreement if such binding arbitration is available; (3) no group of
21 employees shall be refused entry into the plan by reason of past or
22 future health care costs or claim experience; (4) rates paid by the state
23 for its employees under subsection (a) of this section are not adversely
24 affected by this subsection; (5) administrative costs to the plan or plans
25 provided under this subsection shall not be paid by the state; (6)
26 participation in the plan or plans in an amount determined by the state
27 shall be for the duration of the period of the plan or plans, or for such
28 other period as mutually agreed by the municipality, nonprofit
29 corporation, community action agency, small employer, uninsured
30 individual or association for personal care assistants and the
31 Comptroller; and (7) nothing in [public act 03-6 of the June 30 special
32 session*] this section or section 12-202a, as amended by this act, 38a-
33 551, 38a-553 or 38a-556, shall be construed as requiring a participating
34 insurer or health care center to issue individual policies to individuals
35 eligible for a health coverage tax credit. The Comptroller may arrange
36 and procure for the employees, uninsured individuals and eligible
37 individuals under this subsection health benefit plans that vary from
38 the plan or plans procured under subsection (a) of this section.
39 Notwithstanding any provision of law the coverage provided under
40 this subsection may be offered [to employees] on either a fully
41 underwritten or risk-pooled basis at the discretion of the Comptroller,
42 except that coverage offered to small employers shall be fully
43 underwritten in accordance with part V of chapter 700c. For the
44 purposes of this subsection, (A) "municipality" means any town, city,
45 borough, school district, taxing district, fire district, district department
46 of health, probate district, housing authority, regional work force
47 development board established under section 31-3k, regional
48 emergency telecommunications center, tourism district established
49 under section 32-302, flood commission or authority established by
50 special act, regional planning agency, transit district formed under
51 chapter 103a, or the Children's Center established by number 571 of
52 the public acts of 1969; (B) "nonprofit corporation" means a nonprofit
53 corporation organized under 26 USC 501(c)(3) that has a contract with
54 the state; (C) "community action agency" means a community action

55 agency, as defined in section 17b-885; (D) "small employer" means a
56 small employer, as defined in subparagraph (A) of subdivision (4) of
57 section 38a-564, as amended by this act; (E) "eligible individuals" or
58 "individuals eligible for a health coverage tax credit" means persons
59 who are eligible for the credit for health insurance costs under Section
60 35 of the Internal Revenue Code of 1986, or any subsequent
61 corresponding internal revenue code of the United States, as from time
62 to time amended, in accordance with the Pension Benefit Guaranty
63 Corporation and Trade Adjustment Assistance programs of the Trade
64 Act of 2002 (P.L. 107-210); [and] (F) "association for personal care
65 assistants" means an organization composed of personal care
66 attendants who are employed by recipients of service (i) under the
67 home-care program for the elderly under section 17b-342, (ii) under the
68 personal care assistance program under section 17b-605a, (iii) in an
69 independent living center pursuant to sections 17b-613 to 17b-615,
70 inclusive, or (iv) under the program for individuals with acquired
71 brain injury as described in section 17b-260a; and (G) "uninsured
72 individual" means an individual who has no access to employer-
73 sponsored or government-sponsored health insurance.

74 Sec. 2. Subsection (k) of section 5-259 of the general statutes is
75 repealed and the following is substituted in lieu thereof (*Effective*
76 *October 1, 2005*):

77 (k) The Comptroller shall submit annually to the General Assembly
78 a review of the coverage of employees of municipalities, nonprofit
79 corporations, community action agencies, small employers under
80 subsection (i) of this section and eligible individuals under subsection
81 (i) of this section beginning February 1, 2004, and uninsured
82 individuals beginning February 1, 2007.

83 Sec. 3. Subdivision (4) of section 38a-564 of the general statutes is
84 repealed and the following is substituted in lieu thereof (*Effective*
85 *October 1, 2005*):

86 (4) (A) "Small employer" means any person, firm, corporation,

87 limited liability company, partnership or association actively engaged
88 in business or self-employed for at least three consecutive months
89 who, on at least fifty per cent of its working days during the preceding
90 twelve months, employed no more than fifty eligible employees, the
91 majority of whom were employed within the state of Connecticut.
92 "Small employer" includes a self-employed individual. In determining
93 the number of eligible employees, companies which are affiliated
94 companies, as defined in section 33-840, or which are eligible to file a
95 combined tax return for purposes of taxation under chapter 208 shall
96 be considered one employer. Eligible employees shall not include
97 employees covered through the employer by health insurance plans or
98 insurance arrangements issued to or in accordance with a trust
99 established pursuant to collective bargaining subject to the federal
100 Labor Management Relations Act. Except as otherwise specifically
101 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to
102 38a-572, inclusive, which apply to a small employer shall continue to
103 apply until the plan anniversary following the date the employer no
104 longer meets the requirements of this definition.

105 (B) "Small employer" does not include [(A)] (i) a municipality
106 procuring health insurance pursuant to section 5-259, as amended by
107 this act, [(B)] (ii) a private school in this state procuring health
108 insurance through a health insurance plan or an insurance
109 arrangement sponsored by an association of such private schools, [(C)]
110 (iii) a nonprofit organization procuring health insurance pursuant to
111 section 5-259, as amended by this act, unless the Secretary of the Office
112 of Policy and Management and the State Comptroller make a request
113 in writing to the Insurance Commissioner that such nonprofit
114 organization be deemed a small employer for the purposes of this
115 chapter, [or (D)] (iv) an association for personal care assistants
116 procuring health insurance pursuant to section 5-259, as amended by
117 this act, or (v) a community action agency procuring health insurance
118 pursuant to section 5-259, as amended by this act.

119 Sec. 4. (NEW) (*Effective October 1, 2005*) Any licensed health insurer

120 or health care center may design and issue health insurance policies or
121 plans that offer flexible benefits designed to reduce health insurance
122 premiums or fees provided such policies or plans meet the
123 requirements of title 38a of the general statutes. Such policies and
124 plans may include, but need not be limited to, policies and plans that:
125 (1) Offer choices among provider networks of different size; (2) offer
126 different deductibles depending on the health care facility used; (3) use
127 both deductibles and coinsurance; or (4) offer prescription drug
128 benefits that use any combination of deductibles, coinsurance and
129 copayments, including, but not limited to, policies and plans that use
130 different combinations at different benefit levels.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2005</i>	5-259(i)
Sec. 2	<i>October 1, 2005</i>	5-259(k)
Sec. 3	<i>October 1, 2005</i>	38a-564(4)
Sec. 4	<i>October 1, 2005</i>	New section

INS *Joint Favorable Subst.*